By Mr. CHAFEE:

S. Res. 48. An original resolution authorizing expenditures by the Committee on Environment and Public Works; from the Committee on Environment and Public Works; to the Committee on Rules and Administration.

By Mr. STEVENS:

S. Res. 49. An original resolution authorizing expenditures by the Committee on Rules and Administration; from the Committee on Rules and Administration; placed on the calendar.

By Mr. DOMENICI:

S. Res. 50. An original resolution authorizing expenditures by the Committee on the Budget; from the Committee on the Budget; to the Committee on Rules and Administration.

By Mr. BOND:

S. Res. 51. An original resolution authorizing expenditures by the Committee on Small Business; from the Committee on Small Business; to the Committee on Rules and Administration.

By Mr. D'AMATO:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs; from the Committee on Banking, Housing, and Urban Affairs; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself, Mr. THURMOND, and Mr. EXON):

S. 209. A bill replace the Aid to Families with Dependent Children Program under title IV of the Social Security Act and a portion of the Food Stamp Program under the Food Stamp Act of 1977 with a block grant to give the States the flexibility to create innovative welfare-to-work programs, to reduce the rate of out-of-wedlock births, and for other purposes; to the Committee on Finance.

THE WELFARE-TO-WORK AND STRONG FAMILIES ACT OF 1995

Mr. GRASSLEY.

Mr. President, today I am introducing a bill that I have entitled ''The Welfare To Work and Strong Families Act of 1995.'' This is a bill that we can classify as dramatic welfare reform.

I look forward to working with the leaders of the House and the Senate, as we have already been working with the State Governors to arrive at a consensus in developing a new and hopefully very effective welfare system. I am pleased to be joining my colleagues in this effort to dramatically change the welfare system as we know it through the introduction of this bill.

This reform proposal would fundamentally alter the way that we administer welfare. At least fundamentally from the way we have administered over the last half century. It would move the decision makingprocess closer to those who can best address the needs and concerns of our citizens, the States, their Governors, and State legislatures. There are not many issues that all my colleagues agree upon, particularly on both sides of the aisle. But there appears to be agreement on the fact that the current welfare system is a dismal failure. That goes back to statements that the President made in his State of the Union message 12 months ago, including what both Republicans and Democrats, in both Houses of Congress, have said.

The current system has contributed toward the breakdown of the family, destroyed independence and self-reliance, and it has discouraged work and productivity by the people of this country who are on welfare. The system simply does not serve the needs of welfare recipients. It does not serve the needs of those who are supposed to be helped. It surely does not serve the needs of the tax-paying citizens who are funding the program and want to get the most bang for their buck.

Of course, the failure of our welfare system shows up in the weaknesses of society in many, many, different ways. In addition, the current system requires States that want to be very innovative in welfare reform to jump through tremendous number of hoops to receive Federal waivers.

My own State of Iowa sought and received, but it did take months, Mr. President, a whole series of such waivers from the Department of Health and Human Services [HHS]. The waiver process theoretically allows States to develop programs that best meet the needs of each State. But the lengthy and the very burdensome process often inhibits States' initiatives and innovations.

From visiting with the Governors and State legislatures we know that there are more States that want to try to solve this problem because they do not see it solved in Washington, DC. However, those few States that have waded through the time-consuming process have been partially successful in developing a welfare system more tailored to their needs.

Although many of the State initiatives are still in their infancy, State governments have been very supportive of proposals at the Federal level to design a program tailored to the States' unique environment. As well as to allow them more leeway to use their own ingenuity to solve the welfare problems in their own States.

Mr. President, I recognize that in order for welfare reform to work we must establish three goals: First we must reduce the rising cost of welfare programs; second, welfare reform must address the social crisis of out-of-wedlock births; finally, it must require real work from its recipients.

Mr. President, under my proposal, the entire Federal Aid to Families With Dependent Children, the AFDC program, the AFDC Job Opportunity and Basic Skills [JOBS] Program, as well as the Food Stamp Program as it applies to AFDC recipients, would simply be repealed.

They would be ended. The role of the Federal Government would be unalterably changed as we transfer these moneys to the States in block grants to accomplish our goal and let them use their ingenuity to do what we have not been able to accomplish through several reforms that have passed the Congress in recent decades.

This is important because this is a reform effort first. This is not just simply a budget effort and would fail if it were just a budget effort. The goal is to make the program work more effectively by giving control of it to those people who are ingenious and have shown that ingenuity in past activities to accomplish a better approach to welfare than what we have been able to accomplish in Washington.

The resulting budget and deficit reductions are important, but they are secondary. The focus must be on reform of welfare. This legislation requires only two reform goals be achieved by the States: First, an increase in the number of welfare recipients working each year as compared to the previous year and, second, a reduction in the number of out-of-wedlock births in the State.

Apart from those requirements, the States would be completely free—let me emphasize, completely free—to create their own welfare reform plan that would work best for them and meet the needs of their citizens.

While reform is clearly the primary goal, there are also clear budget implications in this bill. It would establish a cap on Federal spending on assistance programs for low-income Americans at the 1995 levels, and it would then block grant the money that the States now receive in 1995 at those levels to the States for their use, using their own ingenuity to operate their own welfare programs.

States would be free to experiment with new ideas for dramatic change. That is the essence of our approach. They would also be responsible for making the changes work because they have funding caps and those caps would be at the present level. The incentive is for States to get people off welfare and to get them into work. My bill sets forth measurable performance standards that reward work and change the culture of welfare. It would allow States that have met or exceeded the two goals of this legislation to be awarded additional bonus payments in their block grant.

I urge my colleagues to join me in this effort to reform welfare and devise a more effective program. This bill would allow States to have a greater decisionmaking role and to have the freedom to create welfare programs that fit the individual needs of their respective States. I urge Senators to join me in cosponsoring the Welfare-to-Work and Strong Families Act of 1995.

Mr. President, this country of the United States of America—with all 50 States, is too diverse of a country to administer the distribution of the Food Stamp Program to meet the needs of States or how they are spent in Puerto Rico because of the heterogeneity of our population. It is too geographically vast to pour from one mold in Washington, DC, to solve the welfare problems of New York City just like Des Moines, IA.

It is better under those conditions where our country is so different from one end to the other to leave it to the individual States to devise a plan. We have tried to reform welfare in Washington. We have not been successful. Several States have been successful. We want to build upon that success, and that is why this bill is being introduced.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Welfare-to-Work and Strong Families Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The current welfare system is broken and requires replacement.

(2) ''Work'' is what works best for American families.

(3) Since State and local governments know the best methods of connecting welfare recipients to work and since each community faces different circumstances, Federal assistance to the States should be flexible.

(4) Government has the responsibility to provide a helping hand to assist individuals but individuals have the responsibility to use the assistance to help themselves.

(5) Between 1970 and 1991, the total number of all out-of-wedlock births in the United States has increased from 10 to 30 percent and, if that rate of increase continues, by 2015, 50 percent of all births in the United States will be out-of-wedlock.

(6) The negative consequences of out-of-wedlock births on the child, mother, and society are well-documented as follows:

(A) Children born into families receiving welfare assistance are 3 times more likely to receive welfare assistance when they reach adulthood than children born into families that do not receive welfare.

(B) Young women who have children before finishing high school are more likely to receive welfare assistance for a substantial period of time.

(C) A single parent family is 6 times more likely to live in poverty than a two-parent family.

(7) Due to the crisis caused by the growing rate of out-of-wedlock births in the United States, the Congress deems the reduction of out-of-wedlock births to be an important governmental interest.

SEC. 3. PURPOSE.

The purpose of this Act is to create a block grant program to replace the aid to families with dependent children program under title IV of the Social Security Act and a portion of the food stamp program under the Food Stamp Act of 1977 and give the States the flexibility to create innovative welfare-to-work programs and programs designed to reduce the increasing rate of children born out-of-wedlock.

SEC. 4. DEFINITION OF STATE.

For purposes of this Act, the term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

SEC. 5. APPLICATIONS BY STATES.

(a) IN GENERAL.—Each State desiring to receive a grant to operate a State welfare-to-work and stronger families program described in section 6 shall annually submit an application to the Secretary of Health and Human Services (hereafter in this Act referred to as the ''Secretary'') containing the matter described in subsection (b) in such manner as the Secretary may require.

(b) CONTENTS.—

(1) FISCAL YEAR 1996.—An application for a grant to operate a State welfare-to-work and stronger families program during fiscal year 1996 shall contain a description of the program in accordance with section 6.

(2) SUBSEQUENT FISCAL YEARS.—

(A) CONTENTS.—

(i) IN GENERAL.—Except as provided in clause (ii), an application for a grant to operate a State welfare-to-work and stronger families program during fiscal year 1997 and each subsequent fiscal year shall contain—

(I) a description of the program in accordance with section 6;

(II) the State work percentage (as determined under subparagraph (B)) for each of the 2 preceding fiscal years;

(III) a statement of the number of participants who became ineligible for participation in the program due to increased income for each of the 2 preceding fiscal years;

(IV) the State out-of-wedlock birth rate percentage (as determined under subparagraph (D)) for each of the 2 preceding fiscal years; and

(V) a statement of the amount of non-Federal resources that the State invested in the program in the preceding fiscal year.

(ii) SPECIAL RULE FOR FISCAL YEAR 1997.—An application for fiscal year 1997 need only contain the information described in subclauses (II), (III), and (IV) of clause (i) for fiscal year 1996.

(B) STATE WORK PERCENTAGE.—For purposes of subparagraph (A)(i)(II), the State work percentage (prior to any adjustment under subparagraph (C)) for a fiscal year is equal to—

(i) the average weekly number of participants in the State welfare-to-work and stronger families program who were employed in private sector or public sector jobs for at least 20 hours per week, divided by

(ii) the average weekly number of participants in the State welfare-to-work and stronger families program.

(C) ADJUSTMENT.—

(i) IN GENERAL.—The State work percentage determined under subparagraph (B) for a fiscal year shall be adjusted by subtracting 1 percentage point from such State work percentage for each 5 percentage points by which the percentage of individuals described in subparagraph (B)(i) who are also described in clause (ii) of this subparagraph participating in the program in such fiscal year falls below 75 percent of the number of individuals described in subparagraph (B)(i) in such fiscal year.

(ii) INDIVIDUAL DESCRIBED.—An individual described in this clause is a custodial parent or other individual who is primarily responsible for the care of a child under the age of 18.

(D) STATE OUT-OF-WEDLOCK BIRTH RATE PERCENTAGE.—For purposes of subparagraph (A)(i)(IV), the State out-of-wedlock birth rate percentage for a fiscal year is equal to—

(i) the total number of children in the State who were born out-of-wedlock during the fiscal year, divided by

(ii) the total number of children in the State who were born during the fiscal year.

(E) MONITORING OF DATA.—The Secretary shall ensure the validity of the data provided by a State under this paragraph.

(c) APPROVAL.—

(1) FISCAL YEARS 1996 AND 1997.—The Secretary shall approve each application for a grant to operate a State welfare-to-work and stronger families program—

(A) during fiscal year 1996, if the application contains the information described in subsection (b)(1); and

(B) during fiscal year 1997, if the application contains the information described in subsection (b)(2).

(2) AUTOMATIC APPROVAL IN SUBSEQUENT FISCAL YEARS.—The Secretary shall approve any application for a grant to operate a State welfare-to-work and stronger families program during fiscal year 1998 and each succeeding fiscal year if—

(A) the State's application reports that—

(i) the State work percentage for the preceding fiscal year is greater than the State work percentage for the second preceding fiscal year; or

(ii) more participants became ineligible for participation in the State welfare-to-work and stronger families program during the preceding fiscal year due to increased income than became ineligible for participation in the program in the second preceding fiscal year as a result of increased income;

(B) the State's application reports that the State out-of-wedlock birth rate percentage for the preceding fiscal year is less than the State out-of-wedlock birth rate percentage for the second preceding fiscal year; and

(C) the State's application reports that the number of participants in the State welfare-to-work and stronger families program for the preceding fiscal year is less than the number of participants in the State welfare-to-work and stronger families program for the second preceding fiscal year.

(3) SECRETARIAL REVIEW.—

(A) IN GENERAL.—If a State application for a grant under this Act is not automatically approved under paragraph (2), the Secretary shall approve the application upon a finding that the application—

(i) provides an adequate explanation of why the application was not automatically approved; and

(ii) provides a plan of remedial action which is satisfactory to the Secretary.

(B) ADEQUATE EXPLANATIONS.—An adequate explanation under subparagraph (A) may include an explanation of economic conditions in the State, failed program innovations, or other relevant circumstances.

(4) RESUBMISSION.—A State may resubmit an application for a grant under this Act until the Secretary finds that the application meets the requirements of paragraph (3)(A).

SEC. 6. STATE WELFARE-TO-WORK AND STRONGER FAMILIES PROGRAM DESCRIBED.

(a) IN GENERAL.—A State welfare-to-work and stronger families program described in this section shall—

(1) provide that during fiscal year 1996, the State shall designate individuals who are eligible for participation in the program and such individuals may include those individuals who received benefits under the State plan approved under part A of title IV of the Social Security Act during fiscal year 1995;

(2) provide that during fiscal year 1997 and each subsequent fiscal year, the State shall designate individuals who are eligible for participation in the program (as determined by the State), with priority given to those individuals most in need of such services;

(3) with respect to increasing the State work percentage, be designed to move individuals from welfare to self-sufficiency and may include—

(A) job placement and training;

(B) supplementation of earned income;

(C) nutrition assistance and education;

(D) education;

(E) vouchers to be used for rental of privately owned housing;

(F) child care;

(G) State tax credits;

(H) health care;

(I) supportive services;

(J) community service employment;

(K) asset building programs; or

(L) any other assistance designed to move such individuals from welfare to self-sufficiency; and

(4) with respect to reducing the State out-of-wedlock birth rate percentage, be designed to strengthen two-parent families and may include—

(A) education;

(B) family planning services (except abortion-related services);

(C) a cap of benefits under the program with respect to additional children conceived out-of-wedlock after a participant has entered the program;

(D) the denial of benefits under the program to a potential participant in the program if that potential participant has a child born out-of-wedlock after a date established by the State;

(E) State tax credits for marriage; or

(F) any other assistance designed to reduce out-of-wedlock births and encourage marriage.

(b) NO ENTITLEMENT.—Notwithstanding any criteria a State may establish for participation in a State welfare-to-work and stronger families program created in accordance with this Act, no individual shall be considered to be entitled to participate in that program.

SEC. 7. STATE GRANTS.

(a) IN GENERAL.—The Secretary shall annually award to each State with an application approved under section 5(c) an amount equal to—

(1) in fiscal year 1996, 100 percent of the State's base amount;

(2) in fiscal year 1997, the sum of 80 percent of the State's base amount, 20 percent of the State's share of the national grant amount, and any applicable bonus payment;

(3) in fiscal year 1998, the sum of 60 percent of the State's base amount, 40 percent of the State's share of the national grant amount, and any applicable bonus payment;

(4) in fiscal year 1999, the sum of 40 percent of the State's base amount, 60 percent of the State's share of the national grant amount, and any applicable bonus payment;

(5) in fiscal year 2000, the sum of 20 percent of the State's base amount, 80 percent of the State's share of the national grant amount, and any applicable bonus payment; and

(6) in fiscal year 2001 and each subsequent fiscal year, the sum of 100 percent of the State's share of the national grant amount and any applicable bonus payment.

(b) STATE BASE AMOUNT.—

(1) IN GENERAL.—For purposes of subsection (a), a State's base amount is equal to—

(A) for fiscal year 1996, 100 percent of the amount determined under paragraph (2); and

(B) for fiscal year 1997 and succeeding fiscal years, 96 percent of the amount determined under paragraph (2).

(2) AMOUNT DETERMINED.—The amount determined under this paragraph for a State is an amount equal to the sum of—

(A) the amount of Federal financial participation received by the State under section 403 of the Social Security Act (42 U.S.C. 603) during fiscal year 1995; and

(B) an amount equal to the sum of—

(i) the benefits under the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including benefits provided under section 19 of such Act (7 U.S.C. 2028), during fiscal year 1995 other than benefits provided to elderly or disabled individuals in the State (as determined under section 3(r)) of such Act (7 U.S.C. 2012); and

(ii) the amount paid to the State under section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) during fiscal year 1995 for administrative expenses for providing benefits to nonelderly and nondisabled individuals.

(c) STATE SHARE OF THE NATIONAL GRANT AMOUNT.—

(1) IN GENERAL.—For purposes of subsection (a), the State's share of the national grant amount for a fiscal year is equal to the sum of the amounts determined under paragraph (2) (relating to economic need) and paragraph (3) (relating to State effort) for the State.

(2) ECONOMIC NEED.—The amount determined under this paragraph is equal to the sum of the following amounts:

(A) STATE PER CAPITA INCOME MEASURE.—The amount which bears the same ratio to one-quarter of the national grant amount as the product of—

(i) the population of the State; and

(ii) the allotment percentage of the State (as determined under paragraph (4)),

bears to the sum of the corresponding products for all States.

(B) STATE UNEMPLOYMENT MEASURE.—The amount which bears the same ratio to one-quarter of the national grant amount as the number of individuals in the State who are estimated as being unemployed (determined in accordance with the Department of Labor's annual estimates) bears to the number of individuals in all States who are estimated as being unemployed (as so determined).

(3) STATE EFFORT.—The amount determined under this paragraph is the amount which bears the same ratio to one-half of the national grant amount as the product of—

(A) the dollar amount the State invested in the State welfare-to-work and stronger families program in the previous fiscal year, as reported in section 5(b)(2)(A)(i)(V); and

(B) the allotment percentage of the State (as determined under paragraph (4)),

bears to the sum of the corresponding products for all States.

(4) ALLOTMENT PERCENTAGE.—

(A) IN GENERAL.—Except as provided in subparagraph (C), the allotment percentage for any State shall be 100 percent, less the State percentage.

(B) STATE PERCENTAGE.—The State percentage shall be the percentage which bears the same ratio to 50 percent as the per capita income of such State bears to the per capita income of all States.

(C) EXCEPTION.—The allotment percentage shall be 70 percent in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(5) DETERMINATION OF GRANT AMOUNTS.—Each State's share of the national grant amount shall be determined under this section on the basis of the average per capita income of each State and all States for the most recent fiscal year for which satisfactory data are available from the Department of Commerce and the Department of Labor.

(6) NATIONAL GRANT AMOUNT.—The term "national grant amount" means an amount equal to 96 percent of the sum of the amounts determined under subsection (b)(2) for all States.

(d) BONUS PAYMENTS.—

(1) CRITERIA.—Beginning with fiscal year 1997, the Secretary may use 4 percent of the sum of the amounts determined under subsection (b)(2) for all States to award additional bonus payments under this section to those States which have the highest or most improved State work percentages as determined under section 5(b)(2)(B) and the lowest or most improved State out-of-wedlock birth rate percentages as determined under section 5(b)(2)(D).

(2) LEADING JOB PLACEMENT AND LEADING OUT-OF-WEDLOCK BIRTH RATE REDUCTION STATES.—The Secretary shall designate one State as the leading job placement State and one State (which may be the same State as the designated leading job placement State) as the leading out-of-wedlock birth rate reduction State and such State or States shall receive the highest bonus payments under paragraph (1).

(3) PRESIDENTIAL AWARD.—The President is authorized and requested to acknowledge a State designated under paragraph (2) with a special Presidential award.

(e) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—A State shall not use more than 10 percent of the amount it receives under this section for the administration of the State welfare-to-work and stronger families program.

(f) CAPPED ENTITLEMENT.—This section constitutes budget authority in advance of appropriations Acts, and represents the obligation of the Federal Government to provide the payments described in subsection (a) (in an amount not to exceed the sum of the amounts determined under subsection (b)(2) for all States).

SEC. 8. TERMINATION OF CERTAIN FEDERAL WELFARE PROGRAMS.

(a) TERMINATION OF AFDC AND JOBS PROGRAMS.—

(1) AFDC.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"TERMINATION OF AUTHORITY

"SEC. 418. The authority provided by this part shall terminate on October 1, 1995.".

(2) JOBS.—Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) is amended by adding at the end the following new section:

"TERMINATION OF AUTHORITY

"SEC. 488. The authority provided by this part shall terminate on October 1, 1995.".

(b) FOOD STAMP PROGRAM TO SERVE ONLY ELDERLY AND DISABLED INDIVIDUALS.—

(1) DEFINITIONS.—Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended—

(A) in subsection (g)—

(i) in paragraph (4), by striking "(and their spouses)";

(ii) in paragraph (5)—

(I) by striking "in the case of" and inserting "in the case of elderly or disabled"; and

(II) by inserting "disabled" before "children"; and

(iii) in paragraph (8), by inserting "elderly or disabled" before "women and children temporarily";

(B) in subsection (i)—

(i) in the first sentence—

(I) in paragraph (1), by inserting ''elderly or disabled'' before ''individual''; and

(II) in paragraph (2), by inserting '', each of whom is elderly or disabled,'' after ''individuals'';

(ii) in the second sentence, by inserting before the period at the end the following: '', if each of the individuals is elderly or disabled'';

(iii) in the third sentence—

(I) by striking '', together'' and all that follows through ''of such individual,''; and

(II) by striking '', excluding the spouse,''; and

(iv) in the fifth sentence—

(I) by striking ''coupons, and'' and inserting ''coupons, and elderly or disabled''; and

(II) by inserting ''disabled'' after ''together with their''; and

(C) in subsection (r), by striking '''Elderly'' and all that follows through ''who'' and inserting the following: '''Elderly or disabled', with respect to a member of a household or other individual, means a member or other individual who''.

(2) CONFORMING AMENDMENTS.—

(A) ELIGIBILITY.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(i) in the first sentence of subsection (c)—

(I) by striking ''program if—'' and all that follows through ''household's income'' and inserting ''program if the income of the household'';

(II) by striking ''respectively; and'' and inserting ''respectively.''; and

(III) by striking paragraph (2); and

(ii) in subsection (e)—

(I) in the first sentence, by striking ''containing an elderly or disabled member and determining benefit levels only for all other households'';

(II) in the fifteenth sentence—

(aa) by striking ''containing an elderly or disabled member''; and

(bb) in subparagraph (A), by striking ''elderly or disabled members'' and inserting ''the members'';

(III) in the seventeenth sentence, by striking ''elderly and disabled''; and

(IV) by striking the fourth through fourteenth sentences.

(B) PERIODIC REPORTING.—Section 6(c)(1)(A)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)(A)(iii)) is amended by striking ''and in which all adult members are elderly or disabled''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply on and after October 1, 1995.

(c) REFERENCES IN OTHER LAWS.—

(1) IN GENERAL.—Any reference in any law, regulation, document, paper, or other record of the United States to any provision that has been terminated by reason of the amendments made in subsection (a) shall, unless the context otherwise requires, be considered to be a reference to such provision, as in effect immediately before the date of the enactment of this Act.

(2) STATE PLANS.—Any reference in any law, regulation, document, paper, or other record of the United States to a State plan that has been terminated by reason of the amendments made in subsection (a), shall, unless the context otherwise requires, be considered to be a reference to such plan as in effect immediately before the date of the enactment of this Act.

SEC. 9. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR AMENDMENTS TO MEDICAID ELIGIBILITY CRITERIA AND TECHNICAL AND CONFORMING AMENDMENTS.

The Secretary shall, within 90 days after the date of enactment of this Act, submit to the appropriate committees of the Congress, a legislative proposal providing eligibility criteria for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) in lieu of the eligibility criteria under section 1902(a)(10)(A)(i) of such Act (42 U.S.C. 1396a(a)(10)(A)(i)) relating to the receipt of aid to families with dependent children under a State plan under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 10. SAVINGS.

Any savings resulting from the provisions of this Act shall be dedicated to reduction of the Federal budget deficit.

By Mr. THOMAS (for himself, Mr. LOTT, Mr. SIMPSON, Mr. STEVENS, Mr. INOUYE, and Mr. BURNS):

S. 210. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of emergency care and related services furnished by rural emergency access care hospitals; to the Committee on Finance.

THE RURAL EMERGENCY ACCESS CARE HOSPITAL ACT

Mr. THOMAS. Mr. President, today I am introducing the Rural Emergency Access Care Hospital Act, [REACH] to help small rural hospitals across the country serve their communities. It will provide the vital medical care rural Americans need in times of emergency.

The outlook for many rural hospitals is grim. Many contemplate closure on a daily basis as Medicare reimbursement rates continue to drop the Federal Government enforces costly regulations, and low inpatient stays become the norm. Currently, if a hospital fails to meet all Medicare conditions of participation, they will lose certification. That means, facilities will not be reimbursed by HCFA for the medical services they provide.

Closing hospitals in Wyoming is not an acceptable option. In my State, if a town loses its most important point of service—the emergency room—it is typical for patients to drive 100 miles or more to the closest territory care center.

There is no doubt that excess capacity in our hospitals is a financial drain on the Nation's health care system. However, emergency medical care is not a fringe benefit. It must be available to all Americans—rural and urban alike.

Mr. President, the REACH bill presents rural areas with a viable option. It accommodates different levels of medical care throughout the State while providing stabilization services needed in remote areas.

Under my bill, rural facilities could convert to rural emergency access care hospitals, provided they meet the following qualifications: First, be able to transfer patients to a nearby, full-service hospital; second, be located in a rural area; third, keep a practitioner, who is certified by the State in advanced cardiac life support onsite 24-hours a day; and fourth, retain a physician on-call 24 hours a day. Hospital administrators view this as a solid solution to improve the rural health care delivery system.

There are several distinctions between the REACH bill and other limited hospital service programs. Under my bill, facilities are not required to be an arbitrary 35 miles or more apart. What happens if they are 34 miles apart? It is still a long drive in a snowstorm.

In addition, hospitals would not have to surrender their license and States would not be required to go through a lengthy application process, unlike current demonstration grant programs.

Mr. President, the REACH bill has a history of wide bipartisan support. Last year it was folded into Majority Leader BOB DOLE's alternative health care reform plan and Senator JOHN CHAFEE's Health Equity and Access Reform Today Act. It was also included in the House GOP leadership's Affordable Health Care Now Act, Representative Jim Cooper's Managed Competition Act, and the House Rural Health Care Coalition's Rural Health Delivery System Development Act.

As we search for affordable solutions to improve the health care delivery system, the REACH bill is one proposal that should be added to the list. The legislation is in lockstep with other reforms, such as portability, prohibition of preexisting conditions, malpractice reform, and administrative simplification. If there were two thresholds established by last year's debate on health care reform—flexibility and affordability—then you cannot go wrong with supporting the REACH bill.

By Mr. BOND:

S. 211. A bill to provide for new program accountability; to the Committee on Governmental Affairs.

THE FEDERAL GOVERNMENT NEW PROGRAM ACCOUNTABILITY ACT OF 1995

• Mr. BOND. Mr. President, I introduce the Federal Government New Program Accountability Act of 1995. This legislation would require on a government-wide basis for each Federal agency and department, upon the submission of legislation to Congress, to include an implementation plan for each new program, project, or activity authorized in the legislation.

The implementation plan would be required to include a description of: First, resource requirements of the program, including staff and data system requirements; second, the estimated cost of implementation of the new program, both in the initial year and over a 5-year period; third, an analysis impact statement assessing the ability of the agency or department to manage the operations of all the agency's or department's programs; and fourth, an implementation schedule, including a timetable for the promulgation of regulations.

I urge my colleagues to support this legislation. It is time that the administration recognizes that not every good idea is appropriate for legislation; that there is a cost to new initiatives and that part of the responsibility of Federal agencies and departments is to assess the capacity of the agency or department to appropriately administer a new program. It is also important that the Congress have adequate information to determine whether an agency or department can correctly administer a new program.●

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 212. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for vessel *Shamrock V*; to the Committee on Commerce, Science and Transportation.

S. 213. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Endeavour*; to the Committee on Commerce, Science, and Transportation.

JONES ACT WAIVER LEGISLATION

● Mr. KERRY. Mr. President, I am pleased to join my colleague, the distinguished senior Senator from Massachusetts, in introducing two bills to allow the vessels *Shamrock V* and *Endeavour* to be employed in coastwise trade of the United States. These boats have a small passenger capacity, normally 8 to 12 passengers on overnight trips and up to 30 passengers on day trips, and their owner intends to operate a charter business based out of Boston Harbor. The purpose of these bills is to waive sections of the Jones Act which prohibit foreign-made vessels from operating in coastwise trade. The waiver is necessary because, under the law, a vessel is considered built in the United States if all major components of its hull and superstructure are fabricated in the United States, and the vessel is assembled entirely in the United States. These boats were originally built in foreign shipyards in the 1930's, but since the mid-1980's they have been owned and operated by American citizens, repaired in American shipyards, and maintained with American products. The owner bought these boats due to their historic significance. These vessels are the only two remaining boats from a class of enormous sailing yachts built during the 1930's to compete for the America's Cup. As such, they are a very significant part of American maritime and yachting history. To better showcase these historic vessels the owner now wants to start a charter boat operation based out of Boston offering voyages of various durations to various destinations.

After reviewing the facts in the cases of the Shamrock V and the Endeavour, I do not believe that these waivers would compromise our national readiness in times of national emergency, which is the fundamental purpose of the Jones Act requirement. While I generally support the provisions of the Jones Act, I believe the specific facts in these two cases warrant waivers to permit the *Shamrock V* and the *Endeavour* to engage in coastwise trade. I hope and trust the Senate will agree and will speedily approve the bills being introduced today. Mr. President, I ask unanimous consent, that a complete copy of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Shamrock V,* (United States official number 900936).

S. 213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Endeavour,* (United States official number 947869).●

By Mr. INOUYE (for himself, Mr. HATCH, Mr. BRYAN, Mr. REID, Mr. SMITH, Mr. COATS, Mr. JOHNSTON, Mr. FAIRCLOTH, Mr. SHELBY, Mr. STEVENS, and Mr. HOLLINGS):

S. 216 A bill to repeal the reduction in the deductible portion of expenses for business meals and entertainment; to the Committee on Finance.

THE BUSINESS MEALS AND ENTERTAINMENT TAX DEDUCTION ACT OF 1995

● Mr. INOUYE. Mr. President, today, I introduce legislation to restore the business meals and entertainment tax deduction to 80 percent. I am joined by Senators HATCH, BRYAN, REID, SMITH, COATS, JOHNSTON, FAIRCLOTH, SHELBY, STEVENS, and HOLLINGS. Restoration of this deduction is essential to the livelihood of the food service, travel and tourism, and entertainment industries throughout the United States. These industries are being economically harmed as a result of this reduction. All are major industries which employ millions of people, many of whom are already feeling the effects of the reduction.

The deduction for business meals and entertainment was reduced from 80 to 50 percent under the Omnibus Budget Reconciliation Act of 1993, and went into effect on January 1, 1994. Five months later, the American Express Travel Related Services Company, Inc., Conducted research between May 16 and June 17, 1994, to obtain an early indication of whether companies were aware of the new tax law and whether it was likely to impact on their spending on business meals. Telephone interviews involving 154 small size, 1 to 100 employees, and 152 mid-sized 101 to 1,500 employees, companies were made to travel and entertainment policy decisionmakers. Of those interviewed, 68 percent of the small size and 74 percent of the mid-sized companies indicated that they have either taken or anticipate taking some action that could potentially reduce restaurant spending. Some companies were prompted to change its policy and guidelines on travel and entertainment expenses as a result of the tax reduction in the business meals and entertainment expenses deduction.

Corporate businesses have also been forced to curtail their company reimbursement policies because of the reduction in the business meals and entertainment expenses deduction. In some cases, businesses have eliminated their expense accounts. Consequently, restaurant establishments, which have relied heavily on business lunch and dinner services, are being adversely affected by the reduction in business meals. For example:

Jay's Restaurant in Dayton, OH, was forced to close its lunch service because of the decline in business. This decision was based on 2,005 fewer lunch customers from January through June 1994 as compared to the same period in 1993. The result was a loss of 17 to 20 jobs.

Bianco's in Denver, CO, closed its lunch service in April 1994 because of the decline in business. Staff was reduced from 26 to 15 employees.

The Wall Street Restaurant in Des Monies, IA, has seen a 40-percent decline in revenues since the beginning of 1994. Staff was reduced from 50 to 35 employees.

In Middlesex County, NJ, the Boca Restaurant averaged 40 to 60 lunches per day prior to the beginning of 1994. The restaurant now serves between 5 to 15 lunches per day. Staff was reduced from 18 to 14 employees.

Le Grenadin, located in the garment district of Manhattan, averaged 60 to 70 lunches a day prior to the beginning of 1994. Lunch business has now declined by 30 percent. Staff hours have been reduced from a 5- to a 3-day workweek.

I sincerely hope that the business meals reduction to 50 percent does not become a Luxury Tax Two, in which the Congress moves toward restoration only after the damage has been done and huge job losses have occurred. Accordingly, I urge my colleagues to join me in cosponsoring this important legislation.

Mr. President, I ask unanimous consent that the bill text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF REDUCTION IN BUSINESS MEALS AND ENTERTAINMENT TAX DEDUCTION.

(a) IN GENERAL.—Paragraph (1) of section 274(n) of the Internal Revenue Code of 1986 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking ''50 percent'' and inserting ''80 percent''.

(b) CONFORMING AMENDMENT.—The heading for section 274(n) is amended by striking ''50'' and inserting ''80''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1993.●

Mr. HATCH. Mr. President, I rise today to join my colleague from Hawaii, Senator INOUYE, in introducing a bill to restore the deductible portion of the meals and entertainment expenses to 80 percent. As my colleagues know, the deduction was drastically reduced from 80 percent to 50 percent as part of the 1993 tax bill.

This change was a counterproductive way to raise revenue and comes at the expense of working Americans. Although this provision was ostensibly aimed at large corporations that have an undeserved reputation of abusing the meals and entertainment deduction, it has primarily hurt women, minority workers, and small businesses. This provision is similar to the ill-conceived luxury tax in that it so badly misses its intended target. In fact, almost 60 percent of employees in the food service industry are women, 20 percent are teenagers, and 12 percent are minorities. These are the people that the deduction limitation has hurt through lost jobs and reduced wages.

Contrary to what many might believe, most individuals who purchase business meals are small business persons; 70 percent have incomes below $50,000, 39 percent have incomes below $35,000, and 25 percent are self-employed. Moreover, 78 percent of business lunches and 50 percent of business dinners are purchased in low- to moderately-priced restaurants. The average amount spent on a business meal, per person, is about $9.39 for lunch and $19.58 for dinner. The business meal deduction is hardly the exclusive realm of the fat cats, Mr. President.

The deduction for meals and entertainment expenses is a legitimate business expense and should be deductible. The owners of most small and large businesses incur these costs in the everyday maintenance of their businesses. These expenses should be given the same treatment that other ordinary and necessary business expenses receive.

One group that has been particularly punished by the 50-percent limitation is the truckers. I have had hundreds of letters from Utah truckers who have been hurt by this unfair change in the law. Many truckers, as they transport important goods across the country, are forced to take their meals on the road. Because of the lower deduction, these truckers may pay an additional $200 to $300 or more a year in tax, depending upon their circumstances. By restoring the deduction to 80 percent, truckers, as well as many others, will receive fairer treatment.

Mr. President, I believe the 1993 tax bill went too far in reducing the deduction for meals and entertainment expenses. It is the small business owners, the truckdrivers, the traveling salespeople, and the restaurant workers who have suffered reduced wages or layoffs who are carrying the burden of this change. A restoration of the 80-percent limitation would bring this deduction back to a more equitable level for America's small business people and restaurant workers and is the right thing to do.

The restaurant industry employs millions of Americans across the Nation. Are we going to continue to allow the Tax Code to restrain job growth in certain industries with limitations such as this? The way to cut the deficit is not through raising taxes on lower and middle income Americans and through lost jobs, but through responsible fiscal constraint.

I urge my colleagues to support this bill.

By Mr. MCCONNELL (for himself and Mr. COVERDELL):

S. 218. A bill to repeal the National Voter Registration Act of 1993, and for other purposes; to the Committee on Rules and Administration.

THE MOTOR-VOTER REPEAL ACT OF 1995

● Mr. MCCONNELL. Mr. President, the States may finally receive some long-awaited relief from unfunded mandates, thanks to the winds of change which blew through the country last November. With passage of the unfunded mandates bill currently before the Senate, Congress will not be able to pile mandates on States as it has in the past. However, the unfunded mandates bill is prospective and will not undo the damage which past Congresses have done. The bill I am introducing today would undo some of the unfunded mandates damage by undoing a mandate. Specifically, it would repeal the so-called motor-voter law.

The motor-voter law made for a nice signing ceremony at the White House in 1993, a veritable extravaganza, in fact. It was an easy political hit. Proponents could revel secure in the knowledge that motor-voter sounded good and by dumping the burden on the States no unpopular budget offsets were required on the part of Congress or the President to pay for it.

But, as David Broder wrote in the Washington Post at that time, it was the kind of ''underfunded, overhyped legislation that gives Congress and Washington a bad name.''

Proponents said then that cost was not a problem, that it was a cheap bill. In that case, then finding a way to pay for it should not have been a problem. But Congress did not pay for it. And the fact is, State and local governments are finding that motor-voter is far more expensive than it was slated to be. Take Jefferson County, KY, for instance.

A Louisville Courier-Journal story reported just last month that Jefferson County clerk Rebecca Jackson estimates it will cost the county up to $1.4 million in just the first year. That tally includes over $700,000 for computer equipment and mailing costs of $165,000 annually. Seven employees may have to be hired as well, to cope with the added workload. These costs are not inconsequential, particularly at a time when everyone is feeling squeezed, not least of all—the taxpayers.

California Gov. Pete Wilson estimates it would cost his State alone nearly $36 million. That is why California and several other States are so put out by the motor-voter mandate that they have filed a lawsuit on the grounds that it violates the 10th amendment of the Constitution.

Those who would oppose this repeal will hold up retroactivity as some bugaboo that should not even be seriously considered. But this is one mandate, no doubt there are others, on which the clock should be turned back. It is not enough to keep things from getting worse, we must strive to make them better. From the standpoint of States and taxpayers, repealing motor-voter would be a big step forward.

What is the worst that could happen under a repeal? Why, some States might opt out. Others may not. The fact is, Congress was behind the curve in 1993: 27 States already had some form of motor-voter, and it stands to reason that they would continue to do so were the Federal mandate repealed. The critical point is that it would be their choice.

There would be nothing stopping States from adopting these provisions, other than cost. States would be at liberty to provide motor-voter, mail registration, and agency-based registration, just as they were prior to this mandate.

If they could afford it, fine. If they could not, fine. It should be their call. If motor-voter supporters in Congress would like to devise a model program—such as Federal grants to entice States into participating—go for it. Figure out a way to pay for it and let's vote on it. But the 1993 mandate was a bad deal for States, a bad deal for taxpayers, and it should be repealed.●

By Mr. NICKLES (for himself, Mr. BOND, Mrs. HUTCHISON, Mr. DOLE, Mr. GRASSLEY, Mr. ASHCROFT, Mr. COVERDELL, Mr. ABRAHAM, Mr. THOMPSON, Mr. BURNS, Mr. SHELBY, Mr. MCCONNELL, Mr. FAIRCLOTH, Mr. THOMAS, Mr. SMITH, Mr. MCCAIN, Mr. CRAIG, Mr. COATS, Mr. SANTORUM, Mr. MACK, Mr. GREGG, Mr. MURKOWSKI, Mr.